

Message Text

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ACTION ABF-01

INFO OCT-01 ISO-00 SS-15 MMO-01 SIG-03 A-01 ARA-10
/032 W

-----004377 291454Z /47

R 291129Z AUG 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 3624

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E.O. 11652: N/A
TAGS: AGAO VE
SUBJECT: EXPANDED ROLE OF GAO AND GAO VISITS TO SELECTED
POSTS

REF: STATE 207030

1. ACCORDING TO EMBASSY RECORDS, GAO TEAMS VISITED
VENEZUELA THREE TIMES IN THE TWO YEAR PERIOD ENDING
JULY 11, 1978, AS FOLLOWS:

DATES	NUMBER IN TEAM	PURPOSE OF VISIT
7/5-22/77	2	POTENTIAL IMPACT OF INCREASED U.S. TAXES ON AMERICANS LIVING ABROAD
5/22-26/78	2	REVIEW BAUXITE AND ALUMINUM MATTERS
7/1-21/78	3	REVIEW OF HOST COUNTRY TRAINING IN FINANCIAL MANAGEMENT, AUDITING AND

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ACCOUNTING.

2. THUS THERE WAS NO VISIT BY THE GAO IN THE SECOND
HALF OF 1976, ONE VISIT IN 1977 AND TWO THROUGH THE
END OF JULY OF 1978. IN EACH CASE THE DURATION OF THE
VISIT AND THE NUMBER OF PEOPLE ON THE TEAM SEEMED REASONABLE
GIVEN THE TASK AT HAND. HOWEVER, BOTH THE EMBASSY AND THE

VISITING TEAM WOULD HAVE BENEFITTED IF WE HAD HAD A BETTER DEFINITION OF THE PURPOSE OF THE VISIT PRIOR TO THE ARRIVAL OF THE TEAM. IT WOULD HAVE ASSISTED US IN IDENTIFYING CONTACTS AND MAKING APPOINTMENTS SO THAT UPON ARRIVAL THE GAO TEAM COULD START WORK IMMEDIATELY. THIS WAS ESPECIALLY TRUE IN THE CASE OF THE BAUXITE REVIEW. WE HAVE NOT RECEIVED A COPY OF THE GAO REPORT ON THIS MATTER, BUT OUR UNDERSTANDING FROM CONVERSATIONS WITH GAO PERSONNEL WHO VISITED CARACAS WAS THAT THE PURPOSE OF THE VISIT WAS TO DETERMINE WHAT WAS THE GOV POLICY WITH REGARD TO THE EXPORT (AND PRICING) OF BAUXITE. ALTHOUGH BAUXITE HAS BEEN DISCOVERED IN VENEZUELA, COMMERCIAL EXPLOITATION IS SEVERAL YEARS AWAY, AND TO DATE ALL INDICATIONS ARE THAT THE BAUXITE WILL BE DESTINED TO AN EXISTING AND EXPANDING LOCAL ALUMINUM INDUSTRY. GIVEN THE FOREGOING, IT WOULD APPEAR THAT ANY CONCLUSION RE VENEZUELAN EXPORT PRICING POLICY FOR BAUXITE WOULD HAVE TO BE HIGHLY TENTATIVE AND QUALIFIED. THUS WE DOUBT THEIR VISIT TO VENEZUELA WAS OF MUCH USE IN THEIR STUDY.

3. IN EACH CASE THE POST PROVIDED OFFICE SPACE (ONE OFFICE FOR THE TEAM), PART TIME SERVICES OF A LOCAL SECRETARY, AND ACCESS TO MOTOR POOL FACILITIES ON THE SAME BASIS AS OTHER USG OFFICIALS. DEMANDS ON THESE RESOURCES WERE MODEST AND DID NOT REQUIRE OVERTIME PAYMENTS EXCEPT FOR TRANSPORTATION TO AND FROM AIRPORT ON ARRIVAL AND DEPARTURE.
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4. THERE HAS BEEN NO ADVERSE HOST COUNTRY REACTION TO GAO VISITS. ON THE CONTRARY, TEAM MEMBERS HAVE BEEN RECEIVED CORDIALLY AND ACCORDED APPROPRIATE ASSISTANCE. NEITHER GOV OFFICIALS NOR PRIVATE CITIZENS DIFFERENTIATE BETWEEN US EXECUTIVE BRANCH VISITORS AND GAO VISITORS, ALTHOUGH THE DISTINCTION IS MADE BY THE EMBASSY WHEN THE APPOINTMENT IS ARRANGED. IN OUR EXPERIENCE, ALL GAO VISITORS HAVE SOUGHT AND FOLLOWED SUGGESTIONS ON CONTACTS AND TYPES OF ASSISTANCE REQUESTED. FOR EXAMPLE, BECAUSE THE SUBJECT UNDER REVIEW SEEMED TO BE POLITICALLY SENSITIVE, WE RESTRICTED THE TEAM THAT VISITED CARACAS IN JULY OF 1978 TO ONLY ONE GOV CONTACT. THEY ACCEPTED THIS CONSTRAINT WILLINGLY. EMBASSY PERSONNEL HAVE ACCOMPANIED GAO TEAM MEMBERS ON MOST, BUT NOT ALL OF THEIR VISITS. OUR IMPRESSION IS THAT THEY HAVE EXERCISED TACT AND CONDUCTED THEMSELVES APPROPRIATELY.

5. IN SHORT, THEREFORE, GAO VISITS TO VENEZUELA HAVE NOT BEEN BURDENSOME TO THE MISSION. THE TEAM MEMBERS APPEAR TO HAVE HAD THE PROPER QUALIFICATIONS FOR THE ASSIGNMENT, STICK TO THEIR BUSINESS AND MADE NO UNREASONABLE DEMANDS EITHER ON EMBASSY RESOURCES OR ON LOCAL OFFICIALS. THEY ACCEPT EMBASSY

GUIDANCE AND MAKE ALL CONTACTS WITH LOCAL OFFICIALS
AND PRIVATE CITIZENS THROUGH EMBASSY CHANNELS.
CROWLEY

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 aug 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CARACA08059
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780352-0792
Format: TEL
From: CARACAS
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780814/aaaaalre.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a40e635a-c288-dd11-92da-001cc4696bcc
Office: ACTION ABF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: STADIS
Reference: 78 STATE 207030
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1594478
Secure: OPEN
Status: NATIVE
Subject: EXPANDED ROLE OF GAO AND GAO VISITS TO SELECTED POSTS
TAGS: AGAO, VE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a40e635a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014